

## **RECOMMENDATIONS**

### ***The Relationship's Current Status and Significant Changes During 2007***

- The Commission recommends that Congress urge the Administration to press China to sign the Agreement on Government Procurement in fulfillment of a promise it made when it joined the World Trade Organization in 2001.
- The Commission recommends that Congress enact legislation to define currency manipulation as an illegal export subsidy and allow the subsidy to be taken into account when determining penalty tariffs. In addition, Congress should amend the law to allow currency manipulation to be added to other prohibited subsidies when calculating antidumping and countervailing duty penalties.
- The Commission recommends that Congress amend the 1988 law directing the U.S. Department of the Treasury to report biannually on "International Economic and Exchange Rate Policies." Congress should eliminate the requirement that the Department of the Treasury first determine whether a country intends to gain an export advantage before deciding that country has manipulated its currency.
- The Commission recommends that Congress urge the Administration to bring a World Trade Organization case against China for manipulating its currency to gain an unfair trade advantage, which is a violation of the principles of the International Monetary Fund of which China is a member.
- The Commission recommends that Congress petition the Administration to initiate a Section 301 investigation of Chinese worker rights violations in preparation for bringing a case before the World Trade Organization alleging suppression of labor rights as an unfair trade practice.

### ***The Control of China's Economy by its Government, and the Effect on the United States***

- The Commission recommends that Congress urge the Administration to employ all necessary trade remedies authorized by World Trade Organization rules, including antidumping and countervailing duty penalties and temporary relief, to protect the U.S. economy from the Chinese government's extensive subsidies for companies in China.

- The Commission recommends that Congress endorse the U.S. Department of Commerce decision that it has the authority to bring countervailing duty cases against non-market economies.

***The Impact of Trade with China on the U.S. Defense Industrial Base***

- The Commission recommends that Congress require the U.S. Department of Defense to prepare a complete list of the country of origin of each component in every U.S. weapon system to the bottom tier.

***A Case Study of the Local Impact of Trade with China: North Carolina***

- The Commission recommends that Congress increase the resources of the U.S. Department of Commerce and the Office of the U.S. Trade Representative devoted to tracking and ensuring compliance by America's trading partners with their World Trade Organization obligations.
- The Commission recommends that Congress require U.S. companies to report to the U.S. Department of Commerce their receipt of any economic subsidy from China.
- The Commission recommends that Congress revise the requirements to achieve standing under antidumping cases, particularly in cases where continuing sales losses in U.S. industries have driven producers into a minority status and they therefore are ineligible for standing.